

**Characterization of Costs as Finance Charges under Required-cost Test<sup>1</sup>**

	<b>Current TILA</b>	<b>Required- cost test</b>
Loan origination fee	✓	✓
Loan discount	✓	✓
Per diem interest	✓	✓
Mortgage broker fee paid by borrower	✓	✓
Application fee	-	✓
Annual fee for open-end plan	N	✓
Real estate commission	N	N
Credit report	N	✓
Appraisal/survey	N	✓
Lender's inspection fee (pre-consummation)	N	✓
Pest inspection	N	✓
Tax/flood certification	N	✓
Tax/flood service (life of loan)	✓	✓
Assumption fee (pre-consummation)	✓	✓
Document preparation (loan-related)	N	✓
Document preparation (deed)	N	N
VA application fee	✓	✓
Mortgage insurance premium	✓	✓
Hazard insurance premium	N	N (special exception)
Credit life/disability insurance (optional)	N	N
Credit life/disability insurance (required)	✓	✓

<sup>1</sup> All approaches exclude from the finance charge costs payable in a comparable cash transaction. The legend for the table is: ✓ = treated as a finance charge under this approach  
N = excluded from the finance charge under this approach  
- = treatment depends on circumstances

	Current TILA	Required- cost test
<b>Reserves to be Deposited with Lender</b>		
City/county property taxes	N	N
<b>Title Charges</b>		
Settlement or closing fee	-	✓
Abstract or title search/title examination	N	✓
Title insurance/binder - lender's coverage	N	✓
Title insurance - owner's coverage	N	N
Notary fees (for mortgage)	N	✓
Attorney's fees (consumer)	N	N
Attorney's fees (lender)	-	✓
<b>Government Recording and Transfer Charges</b>		
Recording fees: mortgage, release	N	✓
State/city/county tax/stamps: mortgage	N	✓
Recording fees: deed	N	N
State/city/county tax/stamps: deed	N	N
Transfer tax	N	N
<b>Miscellaneous Fees</b>		
Amortization schedule (optional)	N	N
Courier fees - settlement agent	-	-
Lock-in fee	✓	✓
Late payment charges	N	N
Escrow for required repairs	N	N

**Timetable for Providing Disclosures Under TILA and RESPA**

<b>Timing</b>	<b>TILA</b>	<b>RESPA</b>
At or before referral		►Affiliated business arrangement disclosure
At or before application	►Home-secured lines of credit (HELOC) booklet & disclosure ►Adjustable rate mortgage (ARM) booklet & disclosure	
Within three days of application	►TILA disclosure (home-purchase loans only)	►HUD Special information booklet (home-purchase loans only) ►Good faith estimate (GFE) ►Initial transfer of servicing disclosure
Three days before closing/ consummation	►HOEPA loan disclosure ►Reverse mortgage loan disclosure	
One day before closing/ consummation		►HUD-1 settlement statement (if requested)
At closing/consummation	►TILA disclosure (for all transactions except home-purchase; for home-purchase if change in terms) ►Rescission notice	►HUD-1 settlement statement ►Initial escrow account statement (within 45 days of closing)
Post closing/consummation	►ARM notice of rate & payment changes	►Annual escrow statement ►Transfer of servicing notice